

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD MAY 19, 2009, AT 6:00 P.M., AT THE CITY COUNCIL CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

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CALL TO ORDER AND ROLL CALL

Mayor Joens called the regular meeting to order at 6:00 p.m. Roll call was taken as follows:

COUNCIL MEMBERS PRESENT

Diane Joens, Mayor  
Karen Pfeifer, Vice Mayor  
James Chapman, Council Member  
Tim Elinski, Council Member  
Duane Kirby, Council Member  
Linda Norman, Council Member

COUNCIL MEMBER ABSENT

Terence Pratt, Council Member

STAFF MEMBERS PRESENT

Rudy Rodriguez, Finance Director  
George Gehlert, Community Development Director  
Richard Faust, Parks & Recreation Director  
Scott Mangarpan, Project Manager  
Richard Smith, Deputy Clerk

Kelly Peterson, City Attorney  
Mike Casson, Fire Chief  
Tim Costello, City Engineer  
Kyla Allen, Executive Assistant

PLEDGE OF ALLEGIANCE TO THE FLAG

The Pledge of Allegiance was led by Mr. Alex Lewis, a volunteer fire fighter.

BRIEF SUMMARY OF CURRENT EVENTS BY MAYOR, CITY COUNCIL AND/OR CITY MANAGER--  
THE PUBLIC BODY DOES NOT PROPOSE, DISCUSS, DELIBERATE OR TAKE LEGAL ACTION ON  
ANY MATTER BROUGHT UP DURING THIS SUMMARY UNLESS THE SPECIFIC MATTER IS  
PROPERLY NOTICED FOR LEGAL ACTION

Council Member Kirby stated that on Saturday he had attended the dinner meeting of the Friends of the Homeless and Hungry in Cornville.

Vice Mayor Pfeifer stated she attended the signing by third grade pupils of the I-beams for the Recreation Center.

Mayor Joens stated Council Member Norman attended a meeting of the Northern Arizona Council of Governments (NACOG). It was the NACOG 2009 summer youth program at which County Supervisor Chip Davis, and she, Mayor Joens, had spoken. The City was planning a public meeting concerning the West Mingus Avenue reconstruction project, including new curbs, gutters, and sidewalks between Willard Street and SR89A. Property owners, residents, and interested members of the public were invited to meet Wednesday at the

Public Safety Building at 6:30 p.m. On Friday she spoke at an ADOT Transportation Board meeting in Flagstaff. She asked that the 8 miles of SR260 be put back in their 5-year plan. There was \$7 million earmarked by ADOT for that project which ADOT was going to use for something else. She and Camp Verde Mayor Tony Gioia asked that the funds be left as a place holder in the 5-year plan. Camp Verde had applied through Congresswoman Kirkpatrick's office for funds to complete it as four lanes. It was thought that the Michigan or Arizona parkway access models would address concerns of both communities. On Monday she met with other mayors from northern Arizona at the Flagstaff Aquaplex. Flagstaff Mayor Sara Presler suggested the region work together to have more clout in getting infrastructure funds and encouraging legislators to pass legislation to support rural water and wastewater infrastructure. When Mayor Presler's notes of the meeting were received they would be forwarded to Council Members. Yesterday she met with Joanne Keene, the Governor's northern Arizona representative and discussed a variety of topics. On May 4th she accompanied 7th grade pupils to the Challenger Space Center in Peoria. On May 6th she attended the Arizona Water Conference where Charles Mackey, of our Utilities Department, received the Electrician of the year Award. On May 8th she attended and Council Members Norman and Kirby presented "Meet Your Cottonwood Senior Commission" at the Senior Center. She attended the employee and volunteer picnic on May 9th. Thanks were extended to the members of the planning team: Kirsten Lennon, Krista Dehnert, Iris Dobler, Terri Messick, Julie Murie, Leslie Wager, Monik Conway, Hezekiah Allen, Michael Montgomery, Sharon Caldwell, and David Enright. On May 11th she attended the Verde Valley Land Preservation Institute meeting at which she urged it not to take a position regarding the City's proposal for annexation of State Trust Land (STL) but instead to support STL reform and to help decide whether a funding mechanism for creating open space could be established. The group expressed a desire to hear a presentation by the City regarding the annexation proposal. A Coffee Talk was held May 13th which Council Member Norman also attended. She read the cultural diversity proclamation at the Old Town Center for the Arts and Sunday's cultural diversity celebration. Sunday, she also attended the American Legion's recognition ceremony for EMTs Rick Contreras, Jeff Boyd, Larry Wright, and Troy Hoke. Tomorrow everyone was invited to the Yavapai County Water Advisory Committee meeting at 2 p.m. in the County Supervisor's office to hear results for the water audit of Cottonwood Middle School.

THE NEW SUPERINTENDANT OF MINGUS UNION HIGH SCHOOL, TIM FOIST, WILL INTRODUCE HIMSELF TO THE CITY COUNCIL

Mr. Foist introduced himself and stated he would be happy to have Council Members tour the high school and meet the students and faculty. He had received a friendly welcome from municipal officials and was ready to partner with staff and Council.

PRESENTATION OF PLAQUE TO FORMER DEVELOPMENT REVIEW BOARD MEMBER CHARLEY ANDERSON

Mayor Joens and Council Member Chapman presented a plaque to Mr. Charley Anderson in recognition of 20 years of service on the Design Review Board.

PROCLAMATIONS—MOTORCYCLE SAFETY & AWARENESS MONTH, GOLDEN RULE IN ACTION DAY, AND CULTURAL DIVERSITY WEEK

Mayor Joens read three proclamations which declared May 2009 as Motorcycle Safety and Awareness Month; May 28, 2009 as Choose to Help—Golden Rule in Action Day; and May 17-23, 2009 as Cultural Diversity Week.

CALL TO THE PUBLIC

Mr. Bob Richards, of Cottonwood, stated he had gone around the city and seen at least six people in violation of the water alerts, Strategy I. On Mingus Avenue there was a child with a hose watering a car, presumably without a shutoff device. He reported that to the Water Department who told him it was alright. The strategy stated water was to be used in a manner to minimize waste. Water was not to be used outdoors between the hours of 9 a.m. and 5 p.m. He read sections of the different Water Strategies. Except in an Emergency Strategy he could water his patio or driveway as long as excess water did not run into the street or gutter. His interpretation was there was not to be water usage outdoors between the hours of 9 a.m. and 5 p.m. That policy was not really being followed. The Council should look at the conservation strategy and try to clarify it. There were too many loopholes.

APPROVAL OF MINUTES—Regular Meeting of 5/5/09

Council Member Norman moved to approve the minutes of May 5, 2009. The motion was seconded by Council Member Kirby, and carried unanimously.

CONSENT AGENDA

PAY APPLICATION NUMBER 4 FOR THE RECREATION CENTER PROJECT

PAY APPLICATION NUMBER 7 FOR THE AIRFIELD ELECTRIC UPGRADE PROJECT AT THE COTTONWOOD AIRPORT

Council Member Kirby moved to approve the consent agenda. The motion was seconded by Council Member Elinski, and carried unanimously.

NEW BUSINESS

APPROVAL OF AN AGREEMENT TO ESTABLISH A FUND THROUGH PROCEEDS PROVIDED BY MINERALS RESEARCH AND RECOVERY FROM PROCESSING THE EXISTING SLAG PILE LOCATED AT THE VERDE VALLEY FAIRGROUNDS

Mr. Gehlert stated early last year the Planning and Zoning Commission approved a Conditional Use Permit for the reprocessing of the slag pile at the site of the Verde Valley Fairgrounds. Among the stipulations in that review was that the applicant provide a

contribution toward any clean-up that might be required once that pile was removed from the site. There was a proposed agreement between the applicant and the City presented tonight for consideration for a rate of 50 cents per ton. Based on the size of the pile, it was projected that the contribution to the City over 15 years would be \$500,000 to \$600,000. In the event the funds would not be required for any clean-up, the agreement stated the City could use the funds for other purposes.

Mayor Joens stated she had spoken with Mr. Horton about concerns regarding environmental review documents that were promised at the time the Conditional Use Permit was issued.

Mr. Gehlert stated he anticipated further environmental analysis of the site as work commenced to proceed through it. We had been given a visual survey with perimeter samplings of the slag itself. At this time there were no results of any concern. We did not have soil samples from underneath the pile. A Phase II environmental analysis was anticipated that would follow as part of this process.

Mayor Joens asked if this matter could be discussed in relation to the agenda item.

Ms. Peterson stated it could be discussed so long as no action was taken by the Council.

Mr. Tom Hurkett, of Mineral Research, stated Phase II would be conducted prior to the start of any construction. Currently they were doing a feasibility study with the Verde Valley Fair Association. Until that was completed they would not have authority to test the site. The slag also overlapped on neighboring properties. While the slag owner had the legal right to remove they would have to get authority from those landowners to sample it, which could be refused. He planned to sample soil at the fairgrounds prior to any excavation. Results would be shared with the City.

Council Member Kirby asked if there would be an opportunity to core drill in the middle of pile on the fairgrounds to get a soil sample.

Mr. Hurkett stated it would be almost impossible to drill through the middle of the slag pile and it would be very costly. His intent was to sample the perimeter. As long as the slag pile had been there, it has been exposed to the elements. If there was any truly bad element there, any heavy metals, it would most likely have been reported in water sampling. If there was anything there, it was probably minor. Regular water samples were taken from the City's wells and no heavy metals had been reported.

Mayor Joens stated that she would like more discussion between Mr. Horton, staff and the applicant about Mr. Horton's concerns.

Council Member Elinski asked if the City could not use the funds for mitigation or any other purpose until after the operation was completed.

Mr. Gehlert stated it appeared that was the intent of it.

Council Member Elinski asked where the money went in the interim.

Mr. Gehlert stated it would go into an investment fund.

Mr. Darold Smith, of Cottonwood, stated he had sat on the Planning and Zoning Commission when this matter had been discussed. The City did not own the property and was not responsible for any clean-up. The City could use the money any time it wanted. He recommended taking the money as it came in and using it for a dedicated account to improve the older parts of Cottonwood, such as buying property, renovating it, and creating affordable housing.

Mayor Joens asked if the City had to wait until the end of the project to be able to use the funds, or could they be used as we went along.

Council Member Kirby stated he would not like to see the City dedicate all of these funds to a single cause. The best use of it should be determined as we went along.

Ms. Peterson stated use of the funds was permitted prior to the end of the term. It was for the City to decide if it wanted to wait to use the funds in order to determine if there were any long term issues that it should be used for.

Mr. Rodriguez stated the money would sit in a reserve fund, and not be used in the General Fund for operations and maintenance, until the Council determined what it wanted to do with the funds.

Mr. Darold Smith stated the Council could, at any time, decide to take the money out of reserves.

Mr. Rodriguez stated this discussion should be conducted at a future meeting.

Vice Mayor Pfeifer moved to approve the contribution as requested by the applicant. The motion was seconded by Council Member Norman, and carried unanimously.

#### APPROVAL OF TWO UTILITY EASEMENTS FOR APS AS REQUIRED TO PROVIDE POWER SERVICE TO THE NEW RECREATION CENTER

Mr. Mangarpan stated this item was a standard agreement with Arizona Public Service (APS) that was required before they would provide cabling and a transformer on our property as part of the development for the Recreation Center. This would give them a right-of-way from Sixth Street to the transformer located next to the building.

Council Member Kirby moved to approve the two utility easements for APS as required to provide power service to the Recreation Center. The motion was seconded by Council

Member Elinski, and carried unanimously.

APPROVAL OF A CHANGE ORDER TO THE ADOLFSON & PETERSON CONTRACT TO ADD  
ADDITIONAL CURBS IN THE NEW RECREATION CENTER PARKING LOT

Mr. Mangarpan stated this change order was to add additional curbing to the large parking lot for the Recreation Center. The original design omitted them for cost reasons. However, it had been determined the curbs were needed. Taking into account other cost savings, the net outlay on this project was \$5,700. We were adding scope to the project and would be required to pay for the change.

Council Member Elinski asked what percentage of our contingency the \$5,700 represented.

Mr. Mangarpan stated the contingency fund was \$300,000. Other demands on the contingency came to around \$40,000.

Council Member Kirby stated he had driven the parking lot and the curbs were needed.

Mr. Mangarpan stated they would prevent dirt from moving across the parking lot during rains.

Council Member Kirby moved to approve a change order to Adolfson and Peterson in the amount of \$16,448 to add additional curbs to the Recreation Center parking lot. The motion was seconded by Vice Mayor Pfeifer, and carried unanimously.

SELECTION OF A NAME FOR THE NEW RECREATION CENTER BUILDING

Mr. Faust stated staff needed direction from the Council. The contract manager, Adolfson and Peterson, had indicated several weeks ago that there was not much time remaining to select a name for the Recreation Center since only two weeks remained to build the concrete section over the entrance. There was a specific process for designing the name into the concrete. Once cast, it could not be changed. Today the contractor indicated there was another process that could be used.

Mr. Mangarpan stated what he had proposed was in large letters above the entrance: "Cottonwood" and below that, embedded in concrete would be "Community Recreation Center". There were concerns that the name might be changed, and casting it concrete before that decision was made was unwise. What has been proposed was, instead of doing cast letters, there would be a large recessed panel above the entrance where metal letters could be inserted later. This allowed greater flexibility and was easier to construct. The pressure for an immediate decision was resolved and gave the Council other options and more time to consider them.

Council Member Elinski stated he wanted more time to decide on a name.

Council Member Kirby agreed. He suggested we sell the name to create funds for operations and maintenance of the building.

Vice Mayor Pfeifer stated she wanted more community input to ensure we selected the correct name for the Recreation Center. It would be great for our community to name the Recreation Center for former City Manager Brian Mickelsen.

Mayor Joens suggested that an item be put on a future agenda to rename 10th Street by the park, Brian Mickelsen Parkway. The Council could consider renaming Paula Street, which the Recreation Center is on or naming a street in Riverfront after Mr. Mickelsen. Regardless what was done with the Recreation Center she would like the Council to consider these two ideas.

Ms. Nancy Futral, of Cornville, stated she had circulated a petition, on very short notice, which had 100 signatures from people who stated they would like to see the new Cottonwood Recreation Center named the Brian Mickelsen Cottonwood Recreation Center.

Mayor Joens stated Mr. Mickelsen would have insisted "Cottonwood" appear as part of the name.

Mr. Joseph Rongo, of Clarkdale, stated he favored having Mr. Mickelsen's name along side that of Cottonwood. He cautioned against capitalizing on dollars and selling out to corporate America.

Mr. Doug Braly, of Verde Village, read a prepared statement recounting his memories of Mr. Mickelsen which ended with the recommendation to name the Recreation Center "The Mickelsen Memorial Recreation Center".

Mayor Joens asked if Council Members had ideas for obtaining input from the public on this matter.

Vice Mayor Pfeifer suggested a contest.

Mayor Joens stated we could put ads in the newspaper and put up the question on our website and utility bills. There was a timeframe for this community participation.

Council Member Kirby asked if that meant we would not consider trying to sell the name.

Mayor Joens stated it was an idea that Council Member Pratt supported but he was not here tonight.

Council Member Kirby stated he did not wish to appear unappreciative for all that Mr. Mickelsen did, but we were looking at building this recreation center and were not at all sure we would have the money to operate it. Through this sort of a process we may be able to fund operations and some of the maintenance of that facility and be able to do that without

hurting the City's other operations.

Mayor Joens asked what kind of timeline he would suggest to do that.

Council Member Kirby stated donors would have to be contacted to find one willing to do it. We would have to send someone out with a sales pitch. He had come to the conclusion that this idea would go down the way of all his ideas. He assumed if he did not concede that it would be the Brian Mickelsen Memorial Recreation Center he would be vilified in many people's minds. He wanted people to understand that if we passed up this opportunity to provide some of the operations and maintenance money in perpetuity, once it was gone, it was gone.

Mayor Joens stated she understood his position. No matter what we did, when it came to the building there should be something about Mr. Mickelsen on display: his photo, his statue or his sports memorabilia. She asked what the timeframe was.

Mr. Faust stated that according to Adolfson and Peterson they had until around Thanksgiving.

Mayor Joens asked what Mr. Faust's suggestion was for moving ahead.

Mr. Faust stated under these circumstances there was a historical precedent in Riverfront Park. The Parks and Recreation Department had made a policy for namesaking. As far as asking companies if they would like to donate there had to be an amount of at least \$25,000. Where there was actually a death of a person in the community of a person who was significant and provided to the community, that would be identified by the City Council. If you identified tonight the situation met all those requirements, we could go out to identify a business or corporation that might want to provide a large sum to namesake the building. The same could be done as it pertained to Mr. Mickelsen. He and Mr. Mickelsen had gone around the Verde Valley trying to get people to namesake the banquet rooms. In these economic times, you would be unlikely to find someone outside the Verde Valley that would want to do this. Ms. Futral had been trying to get Pepsi to namesake the pool. Phoenix Cement/Salt Rivers Materials Group expressed interest but was unable to make any donation. It would probably be very difficult to find someone to give a large sum of money for the naming of the recreation center since we couldn't get donations even for the naming of banquet rooms or the pool.

Council Member Elinski stated he would like to see newspaper advertising to get community buy-in. We would advertise the Council was considering what to name the new recreation center and see what sort of feedback we got. Then we would hold a highly publicized meeting to take in all considerations and make a decision. He was willing to look at corporate sponsorship too. It rubbed him a little the wrong way to name it that way but it was important to look at all options.

Ms. Futral stated she had an alternative for Council Member Kirby which was to have donors

name the pool instead.

Mayor Joens stated the Council's direction was to advertise by whatever means staff felt was appropriate to get community input on the naming of the recreation center. She asked how we would do the naming rights part of it.

Mr. Faust stated that would have to be looked into further after receiving legal advice.

Council Member Kirby stated there was no need for advertising if we were going to have a well publicized meeting.

Mr. Faust stated one way other municipalities allowed naming was to have school groups do so. Perhaps pupils in middle school and/or high school could be considered. It could be done as an opinion survey or a contest with prizes.

Mayor Joens asked how many of the children knew Mr. Mickelsen. We wanted to make sure the Mickelsen name was not excluded because of the process.

Mr. Faust stated a lot of high school youths knew him.

Ms. Lin Mickelsen, of Bridgeport, stated she was honored that the City was considering naming the recreation center after her late husband. The recent Mickelsen half-marathon was an event that brought people together. The naming of the recreation center for him would accomplish that again. It was a project dear to his heart.

Mr. Braly asked who would be the arbiter of this contest and how would you judge who won. You are elected officials who were put here to make decisions like this. Do a straw poll among the Council Members to see if there were any objections to naming the recreation center after Mr. Mickelsen. He asked why put it off. Make a decision tonight.

Mr. Faust stated this could be used as an exercise. There would be a lot of biased individuals out there if this was to be done by a selection committee.

Mayor Joens stated was not in favor of doing the school method. If the community wanted one name and the children another, the kids might be disappointed.

Vice Mayor Pfeifer stated she liked the idea of meeting with some of the public to get their input. It was important to get the wording and the way it was to be laid out on the building exactly right.

Council Member Elinski wanted to get more community involvement. It would not be fair to put us on the spot now.

Mr. Faust stated you could take time to consider at leisure. He wanted to do it right and it was something he had never done before.

Council Member Kirby asked if it was a foregone conclusion what we were going to name it, why bother.

Mayor Joens stated we should ask the community for input.

Mr. Faust asked if the Council would like him to request a meeting of some sort where we would actually get together with the public and listen to them as it pertained to this issue. He would set it up with the City Manager as a public review meeting.

Mayor Joens asked if it should be done in a Council meeting.

Vice Mayor Pfeifer suggested doing it in a work session.

Council Member Elinski suggested that it be advertised so that public suggestions could be directed to Parks and Recreation.

Vice Mayor Pfeifer stated if Mr. Mickelsen's name was to be on the building it needed to be done right and was not a matter to be rushed. A work session would bring out other ideas.

Mr. Faust stated ads had recently been put in the newspapers about the I-beams going to the schools. That was to build interest from the community. We could do the same thing again with another ad making a request and identifying a time for the work session. Also that we would appreciate information as it pertained to people's thoughts on the naming of the recreation center.

Mayor Joens stated she liked that idea. That would give the community some time to input and have them feel they had some say too.

APPROVAL OF AUTHORIZATION NUMBER 4 FOR Z&H ENGINEERING TO PERFORM DESIGN, BIDDING SERVICES, AND CONSTRUCTION MANAGEMENT FOR THE APRON PAVEMENT MAINTENANCE PROJECT AT THE AIRPORT

Mr. Costello stated this was a seal coat project for the airport apron, the parking lot for airplanes. This project was the top choice of the Airport Commission who recommended approval. It covered over eleven acres. Z&H is a comprehensive engineering services package. They would design it, create the bid package, help with the bid, do the construction management, and submit the requests for the grants. This project would be grant funded. The principal grantor would be the Federal Aviation Authority (FAA) in a process based on bids. A grant would not be offered until an applicant had submitted their bid. After the project was designed and bid on, they would offer the grant. This was on a hurry-up schedule because the FAA would like to have a grant to us in early June, so we were rushing the submission. Work would be complete in about three months. The cost estimate was \$538,000. The FAA grant would be 95 percent and the ADOT grant amount 2.5 percent. Our amount would be 2.5 percent. All the costs for Z&H were grant-eligible. The

Z&H cost was the correct amount, not that listed in Council memos. The difference arose because of an adjustment for an environmental review document. The correct amount was \$72,060.

Council Member Elinski moved to approve authorization number 4 for Z&H Engineering for the apron pavement maintenance project at the Cottonwood Airport. The motion was seconded by Council Member Kirby, and carried unanimously.

APPROVAL OF AN APPLICATION FOR A FEDERAL AVIATION ADMINISTRATION GRANT FOR A SEAL COAT PROJECT FOR THE APRON AREA OF THE COTTONWOOD AIRPORT

Mr. Costello stated this was a follow on to the previous item, authorizing him to sign the grant application to submit to the FAA for the project just talked about. This would result in a grant offer from the FAA that would come back to the Council for consideration based on the bids received.

Council Member Norman moved to authorize the Public Works Director to sign the grant application documents for a federal FAA grant. Council Member Elinski seconded the motion, which carried unanimously.

APPROVAL OF A CONTRIBUTION OF FUNDS TOWARD THE RENOVATION OF THE SHEP'S NEON SIGN IN OLD TOWN COTTONWOOD AND ADDITIONAL FUNDING TO THE OLD TOWN ASSOCIATION FOR MARKETING AND OPERATIONS

Mr. Gehlert stated this was a continuation of the discussion held last week during the Council's work session regarding the City's possible participation in the renovation of Shep's sign. A design was presented that had been approved by the Planning and Zoning Commission. During that discussion it was determined that the Old Town Association (OTA) had not been funded by the City. The thought was then to continue the OTA annual stipend as well as a sum for the renovation of the sign. The proposal would be to fund the OTA \$10,000 and an additional \$6,491 as half the cost of the sign renovation, with Mr. Jim Ledbetter funding the other half of that cost.

Mr. Tom Pender, of Cottonwood, stated his support for this project. The OTA had raised hope in Old Town and was filling storefronts and part of economic development through increased taxes. The more advertising we had, through the sign, the better off we would be.

Mr. Bob Oliphant, of Cottonwood, stated he liked the idea of preserving the sign and thought it was important. His difficulty was the Council made a decision July 15, 2008 not to fund the OTA. Because of financial exigencies facing the city, funding would not be available for Rhythm 'n Ribs, the Easter Egg Scramble, youth organizations, the OTA, Senior Center, or the Farmers' Market. Two weeks before, the Boys and Girls Club had requested appropriations. That matter was deferred. All these non-profits had not had a chance to re-apply in this budget period. There were cut-backs in other city departments. The longevity bonus was not awarded. In February, it was reported that the financial situation was worse than earlier

predicted. In March, it was reported all forms of revenue were down. Important needs had not been funded for lack of revenue. Non-profits had been cut out. He suggested contacting the Chamber of Commerce to see if they would be interested in funding this project with the OTA. The OTA should also do fundraising to raise this money. The current approach did not offer a level playing field.

Mr. Ledbetter stated with regard to Mr. Oliphant's comments, the OTA was different than other non-profits because it generated people coming to Cottonwood and advanced the interests of Cottonwood. In this case, the OTA was matching the money invested by the City. This would generate more activity in Old Town.

Mayor Joens stated the former City Manager had a policy which had three levels of funding for different entities. One level was called core level of funding which included the Chamber of Commerce and the OTA. It was decided at the time that those organizations provided services that we would have to if they didn't.

Ms. Lisa Pender, President of the OTA, stated former City Manager Brian Mickelsen was the one responsible for the creation of the OTA. Its purpose was to bring people into the City. The money was being requested for a sign whose purpose was to create more commerce. Part of the City's "Focus on Success" was the revitalization of Old Town and the creation of a viable downtown area. If \$16,000 were given, refurbishment of the Old Town Jail would begin immediately and new banners would be procured and more events would be organized.

Mr. Rodriguez stated the Council contingency fund was not as large as Council Members thought it was. As with other departments, cuts were made as a cost saving measure. The current balance was \$4,500. The OTA's \$10,000 was eliminated completely because of its failure to complete proper reporting, without which funding could not be forthcoming.

Council Member Kirby asked where the City was financially.

Mr. Rodriguez stated it was struggling for revenue. The only reason we were up on sales tax was because of the 0.8 percent increase last November but we were still not at the level anticipated last year.

Council Member Elinski asked if \$35,000 would be budgeted to the Council contingency for next year.

Mayor Joens stated if we were looking at a new budget for next year, this should not come out of Council's contingency but should be a line item.

Mr. Rodriguez agreed. It would be discussed during budget sessions.

Council Member Kirby stated discussions with the Senior Center resulted in getting the reports we needed to fund that organization. That same law should be laid down for anyone

funded under the Council's aegis.

Mr. Rodriguez stated that would be discussed at the budget sessions.

Council Member Kirby asked if he was satisfied with the Senior Center's financial reporting.

Mr. Rodriguez stated he was satisfied.

Council Member Chapman asked if the OTA had not been reporting.

Mr. Rodriguez stated that was correct.

Ms. Pender stated the ball had got dropped. She needed to know what kind of reporting was needed and she would take care of it.

Vice Mayor Pfeifer asked if he could answer any of the questions brought up by Mr. Oliphant.

Mr. Rodriguez stated he did do away with longevity bonuses, a cost of living adjustment, and had requested cuts be made in all departments. No positions had been lost but public safety hiring was delayed. Tax revenues were down twenty percent over two years. We were starting the new budget in a relatively good position because of all the cuts made already.

Mr. Darold Smith, of Cottonwood, stated he had trepidation funding the sign. It was a private sign and the Council was being asked to fund it. The Council had cut funding from all the non-profits and there was no emergency where this had to be funded now.

Mayor Joens stated, in a way, the City was asking a private entity to create a sign that benefited the public. You could look at it as a public-private partnership which many governments entered into because there was a great benefit to the public.

Mr. Ledbetter stated the idea had come from former City Manager Mickelsen as part of renovation of that part of Old Town which included the demolition of an old home and the creation of a parking lot for Old Town. Most of the sign was for the City as was the parking lot.

Vice Mayor Pfeifer stated Old Town was a slum before the City, the Main Street Program, and the OTA started working together. Mr. Ledbetter did not come to us to ask us to make him a new sign. We went to him and asked him to save it. There were community benefits to be considered and one had to look at the whole picture and not just the sign on private property. Most of the sign was for "Welcome to Old Town" and only a small portion for "Ledbetter Law".

Council Member Elinski stated it was particularly important in a recession like this to fund such a thing because it was a statement that we had local businesses worth supporting. It was historic preservation, which was another good reason to support it. And we were

strengthening our core, which was Old Town. It was important to send a message that if you wanted a good meal you didn't have to drive to another city. There were valid reasons for not funding it, not least, a lack of funds.

Mr. Rodriguez stated \$4,500 was in the budget right now. There were resources available from other funds but those were funds that had been already set aside.

Mayor Joens stated a viable Old Town and healthy economy provided the services for the City, and supporting that was a smart thing.

Ms. Peterson stated she had two concerns for the City to consider. The first was the structure of what was proposed. It was a donation and we were asking them to set up the sign. If the sign was still to be under private ownership, there were no assurances of the long term status of it, that it would be maintained, or stay there, or that the lighting bill would continue to be paid, or what would happen if it no longer belonged to the Ledbetter Law firm. The City may want to consider the long term implications of where this was going.

Mayor Joens asked how it worked in other cities with public-private partnerships. Did they come to some kind of legal agreement? At our work session it was discussed that the OTA and Ledbetter Law firm would come up with some kind of legal agreement about those questions.

Ms. Peterson stated those should be in place before you make a funding commitment.

Mr. Ledbetter stated the longevity and the memories of a city were not the same length as they were for a private partnership. When he heard a city attorney stating "make sure you lock it down in writing because you are the city", the truth was, generally speaking, long term community members had better long term institutional memories than did cities. Council members change and funding priorities come and go. The backbone of any community was its business people who were always going to be here. That sign would be there ten years from now. He would pay for its electricity. He asked the City not to create barriers and to let it happen. Make it happen.

Council Member Kirby stated renovating the sign was something the city had a responsibility to take part in.

Mayor Joens agreed.

Council Member Elinski stated it was important that the funding came from the Council's contingency.

Mr. Rodriguez asked if the Council was looking at just \$6,000 or the additional \$10,000 that was not going for the sign but to the OTA.

Council Member Elinski stated the \$10,000 would come from the Council's contingency if it

had its full \$30,000.

Mr. Rodriguez stated it had been originally budgeted but had been cut out because the City had not received any reporting from the OTA for some time and not to mention we did not have an agreement with them.

Council Member Elinski stated the City Manager had suggested that this year it be funding from the contingency.

Mayor Joens stated the City Manager had indicated to her that he wanted both items to be funded.

Vice Mayor stated we could budget the amount for the sign now and the \$10,000 for the OTA in the next fiscal year budget.

There was Council consensus for this idea.

Mayor Joens stated the City Manager had volunteered funds from his contingency fund to add to those given from the Council's contingency fund so as to donate \$6,500 this year for the sign and budget \$10,000 next year for the OTA.

Mr. Rodriguez asked for confirmation that the Council wanted to use \$6,500 for the sign this year and budget \$10,000 for the OTA next fiscal year.

Mayor Joens stated since we were not budgeting \$10,000 for the OTA this year we could increase that amount next year if they could just their needs.

Ms. Allen stated what the Manager had asked was that \$6,000 come out of Council's contingency. He would meet with Ms. Pender and the remainder of what she needed he would take out of his contingency fund.

Mayor Joens asked what his suggestion was specifically.

Ms. Allen stated, specifically, \$6,000 from Council contingency.

Mayor Joens stated the Council did not have that much.

Ms. Allen stated, and the remainder from his contingency fund.

Council member Kirby stated the Council would give up the \$4,500 from its contingency fund and take the balance to, minimally, pay for the sign.

Mr. Rodriguez stated he would work with Ms. Allen to get that arranged.

Council Member Elinski asked if the OTA would be funded for this year.

Mr. Rodriguez confirmed the OTA would not be funded this year.

Mayor Joens stated the Council could look at next year, examine the needs, and adjust it as necessary.

Mr. Rodriguez stated at one of the meetings we would have where we looked at outside agencies, if we could make some decisions then, and go ahead and get the agreements in place before July 1st.

Council Member Kirby moved approval of the expenditure of the balance of the Council's contingency fund plus whatever funds could be acquired from other sources to come up to the minimal price of paying for the sign, which would be \$6,491 to be contributed to the Old Town Association for that specific purpose and have a report back that they spent the money for that specific purpose. Council Member Elinski seconded the motion.

Mayor Joens asked if the attorney's concerns should be in the motion.

Council Member Norman stated that was supposed to be in an agreement between the OTA and Mr. Ledbetter.

Council Member Kirby stated the cost, if amortized over ten years, was \$650 per year which was money well spent.

Mayor Joens stated Mr. Kirby made the motion and Mr. Elinski seconded it, and that was to make a contribution to the Old Town Association to pay \$6,491 for the sign, taken from a variety of contingency funds as necessary with the City Manager's input.

The motion passed unanimously

Mayor Joens stated further discussion would be conducted during budget sessions.

#### CLAIMS & ADJUSTMENTS

Council Member Norman moved to pay the claims and adjustments. The motion was seconded by Council Member Kirby, and passed unanimously.

#### ADJOURNMENT

Council Member Kirby moved to adjourn. Mayor Joens seconded the motion which passed unanimously.

The regular meeting concluded at 8:46 p.m.

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Diane Joens, Mayor

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Marianne Jiménez, City Clerk